

## ***Chapter 4***

### ***Using This Guide***

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Information included in this guide will follow the format of a firm's progress billing to WSDOT. That is, we will provide an overview of items typically included in a progress billing to WSDOT. In addition, we will briefly discuss the standard WSDOT consultant agreements.

This simplified overview will provide the corresponding chapter where more detailed information about that topic can be found.

Not every topic is discussed in this guide. Every time the audit office sees the light at the end of the tunnel, a new or unusual situation or set of circumstances occurs, causing the Audit Office to rethink a particular definition or procedure.

After beginning work, a consultant will usually bill the department for services in a format which may be similar to the example below:

**Simplified Overview of a Progress Billing**

Direct Labor — Chapter 5

Overhead — Chapter 6

Direct Nonsalary Costs — Chapter 7

Computer Time, Travel Costs,  
Subconsultants Costs, Copying

Fixed Fee — Chapter 8

All of these costs must be supported in the books or ledgers of the firm, and be backed by original or source documentation (time sheets, invoices, etc.). For any cost that you expect to be reimbursed, a firm must retain the source documents for at least three years after the prime consultant receives final payment from WSDOT for services rendered.

The Audit Office has found that department managers may require a variety of supporting documentation, i.e., copies of various bills, etc. We recommend that if a firm must submit this type of information, send copies, not the original document. Sending copies of supporting documents with invoices is not a requirement of the Audit Office. During interim and post audits, we will ask to see original documents.

The next four chapters will discuss the costs typically billed to WSDOT, the basis for billing rates, and recommended documentation to provide audit support.

